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May 16, 2018

By ECF

The Honorable Ann M. Donnelly
United States District Court for the
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

Re: *United States v. Belfort*, Case No. 98-cr-00859-AMD

Dear Judge Donnelly:

As counsel for Defendant Jordan Ross Belfort in the above-referenced matter, I write to provide the Court, in advance of today's hearing, with a Department of Labor Opinion Letter that addresses an issue relevant to today's garnishment hearing. I apologize for the late submission, but I only discovered this Opinion Letter last night.

The April 12, 2018 U.S. Department of Labor Wage and Hour Division Opinion letter, attached hereto as Exhibit A, addresses the question of whether lump sum payments constitute earning under the Consumer Credit Protection Act ("CCPA") (the "DOL Opinion Letter"). The government has argued that in order to be subject to the 25% garnishment limitations set forth in the CCPA, the relevant earnings must be periodic.

As set forth in the DOL Opinion Letter, the DOL has taken a contrary position. The DOL has specifically stated that "the compensatory nature of the payment, *i.e.*, whether the payment is for services provided by the employee, rather than the frequency of the payment, is determinative under 15 U.S.C. § 1672(a)." U.S. Dep't of Labor, Wage & Hour Div., Opinion Letter (April 12, 2018) at 3. The DOL concluded that "[t]o assess whether certain lump-sum payments are earnings and subject to garnishment limitations under the CCPA, the central inquiry is whether the amounts are paid by the employer in exchange for personal services. If the lump sum payment is made in exchange for personal services rendered, then like payments received periodically, it will be subject to the CCPA's garnishment limitations." *Id.* at 5.

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The Delos Class D Membership Units which are the subject of today's hearings, were paid to JB Global Holdings LLC ("JBGH") for personal services rendered by Mr. Belfort to Delos on behalf of JBGH. Accordingly, the Class D Membership Units are subject to the limitations on garnishment under the CCPA.

Respectfully Submitted,

/s/ Sharon Cohen Levin

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cc: All counsel (via ECF)